

Why Do People Volunteer? An Experimental Analysis of Preferences for Time Donations

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Why Volunteer?

- There are multiple reasons people volunteer rather than donating money
 1. Self-investment (prestige, networking, signaling, social pressure).
 2. Enjoyment from the actual volunteering activity.
 3. Greater pleasure from the act of volunteering.
- We construct experiments which normalize the self-investment motivations and labor task.

Questions

- Do subjects prefer working for charity (giving time) rather than donating an equivalent amount to charity (giving money), all else being equal?

YES.

- By how much?

A LOT.

- Might greater solicitation in the act of donating time explain this result?

NOT ALL OF IT.

- Are time and money substitutes or complements?

SUBSTITUTES.

- When relative wages aren't equal, do subjects correctly substitute between giving time and donating money to maximize donative impact?

NOT ENTIRELY.

Subject 272: A flash-forward

- Male, Texan, Political Science Major
- Preferred charity: Doctors without Borders
- Faced experimental treatment with sliders: for each slider completed 3 cents go to charity OR 4 cents go to personal earnings.
 - Can switch at any time, as often as desired.
 - At end of experiment, could give out of personal earnings.
- Completed 1421 sliders in 75 minutes.
 - Chose to earn \$42.63 for charity at \$0.03/slider.
 - Better alternatives: make \$56.84 for oneself at \$0.04/slider.
 - Give \$56.84 to charity.
 - Give \$42.63 to charity, keep \$14.21 for oneself.

Previous Research

- Experimental evidence on warm glow
 - Crumpler and Grossman (2008): agents will donate to charity even under complete crowd-out.
 - Tonin and Vlassopoulos (2010): warm glow affects both genders (women more) under varying levels of crowd-out.
 - Null (2011): warm glow leads to inefficiency with matching.
 - Lilley and Slonim (2012): giving consistent with warm glow, donations of time and money are substitutes.
- Solicitation
 - Has an impact on likelihood of giving (Andreoni *et al.*, 2011; Meer and Rosen, 2011; Meer, 2011).
- Volunteering vs. Donations
 - Mixed evidence on whether donations of time and money are substitutes or complements (Brown and Lankford, 1992; Bauer *et al.* 2012, *inter alia*).
 - Individuals asked to calculate their hourly wage are less likely to volunteer (Pfeffer and Devoe, 2009).

Theoretical Model

- Based on Andreoni, Gale, Scholz (1996)
 - Includes personal consumption and leisure.
 - Warm glow from monetary donation, opportunity cost of volunteering, and total impact of gift.
 - Warm glow is equal from donations and volunteering.
 - Impact of solicitation (from DellaVigna et al. 2012).
- Main Predictions
 1. Giving is nondecreasing in solicitation.
 2. If wages are equal, then monetary donations and volunteering are equivalent.
 3. If wages are unequal, then all donations should be from high-wage activity.

Experimental Design

- Conducted at the Economic Research Laboratory at Texas A&M University.
- 414 subjects chose a charity from a list of ten options.

Period: 1 of 1 Remaining time [sec]: 236

Please choose a charity for donation. You must select only one.

Local Charities	
<input type="checkbox"/>	Camp for All A unique camping and retreat facility that works to provide life changing programs for children and adults with challenging illnesses and special needs.
<input type="checkbox"/>	Scotty's House: Child Advocacy Center of the Brazos Valley Facilitating a multidiscipline team approach to the prevention, intervention, investigation, prosecution, and treatment of child abuse through forensic interviews, medical exams, counseling and case coordination.
<input type="checkbox"/>	Brazos Valley Food Bank Strives to alleviate hunger in the Brazos Valley by distributing food and educational resources to neighbors in need through a network of hunger relief organizations.
<input type="checkbox"/>	Health for All Provides free doctor visits, pharmaceuticals, specialist exams, lab tests, X-rays, chronic disease management education and counseling services to low income patients in the Brazos Valley who do not have health insurance and do not qualify for government programs such as Medicaid, Medicare or County Indigent funds.
<input type="checkbox"/>	Brazos Valley Animal Shelter The Brazos Animal Shelter provides humane shelter and care for stray and unwanted animals. Varied services are designed to promote responsible pet ownership and to enhance the quality of life for the people and animals in our community.
National and International Charities	
<input type="checkbox"/>	Special Olympics Provides year-round sports training and athletic competition in a variety of Olympic-type sports for individuals eight years of age and older with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympic athletes and the community.
<input type="checkbox"/>	Humane Society of America The lead disaster relief agency for animals, providing direct care for thousands of animals at sanctuaries and rescue facilities, wildlife rehabilitation centers, and mobile veterinary clinics.
<input type="checkbox"/>	Feeding America The nation's leading domestic hunger-relief charity, secures and distributes more than two billion pounds of donated food and grocery products annually.
<input type="checkbox"/>	Save the Children The leading independent organization creating real and lasting change for children in need in the United States and around the world, focusing on: economic opportunities, education, emergencies, protection, health, hunger and malnutrition, and U.S. literacy and nutrition.
<input type="checkbox"/>	Doctors Without Borders An international medical humanitarian organization that provides aid in nearly 60 countries to people whose survival is threatened by violence, neglect, or catastrophe, primarily due to armed conflict, epidemics, malnutrition, exclusion from health care, or natural disasters.
OK	

Experimental Design-First Study

- Performed a 75 minute slider effort task, earning 3 cents per slider plus a \$5 participation award.



- Five conditions:
 1. Donate at End (DE): Can only donate from earnings at the end of experiment.
 2. Continual Reminder (CR): Can only donate from earnings at the end of experiment; reminded of their charity choice.
 3. Continual Donation (CD): Can donate any amount of earnings at any time; reminded of their charity choice.
 4. Toggle (T): Can switch effort accrual at any time; reminded of their charity choice.
 5. Toggle and Continual Reminder (T+CR): T, along with the ability to donate at the end of the experiment

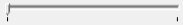
Earnings

Time Remaining: 0:02

50.00

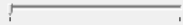
You will be able to donate to the Special Olympics.

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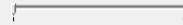
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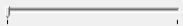
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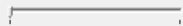
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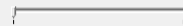
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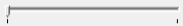
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0

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0

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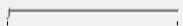
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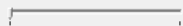
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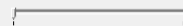
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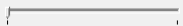
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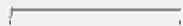
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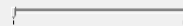
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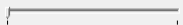
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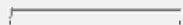
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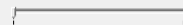
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0

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0

83



0

65



0

30



0

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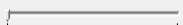
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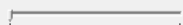
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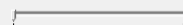
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24



0

Earnings

Donated Earnings

0:03

\$0.00

\$0.00

You may donate to Feeding America.

Donation Amount:

Confirm

62 _____ 0

43 _____ 0

38 _____ 0

27 _____ 0

42 _____ 0

27 _____ 0

49 _____ 0

50 _____ 0

64 _____ 0

15 _____ 0

47 _____ 0

36 _____ 0

99 _____ 0

5 _____ 0

9 _____ 0

32 _____ 0

21 _____ 0

66 _____ 0

27 _____ 0

94 _____ 0

42 _____ 0

97 _____ 0

56 _____ 0

15 _____ 0

41 _____ 0

53 _____ 0

34 _____ 0

32 _____ 0

75 _____ 0

27 _____ 0

Individual Earnings	Charity Earnings
\$0.00	\$0.00

Time Remaining: 0:02

You are working for yourself.

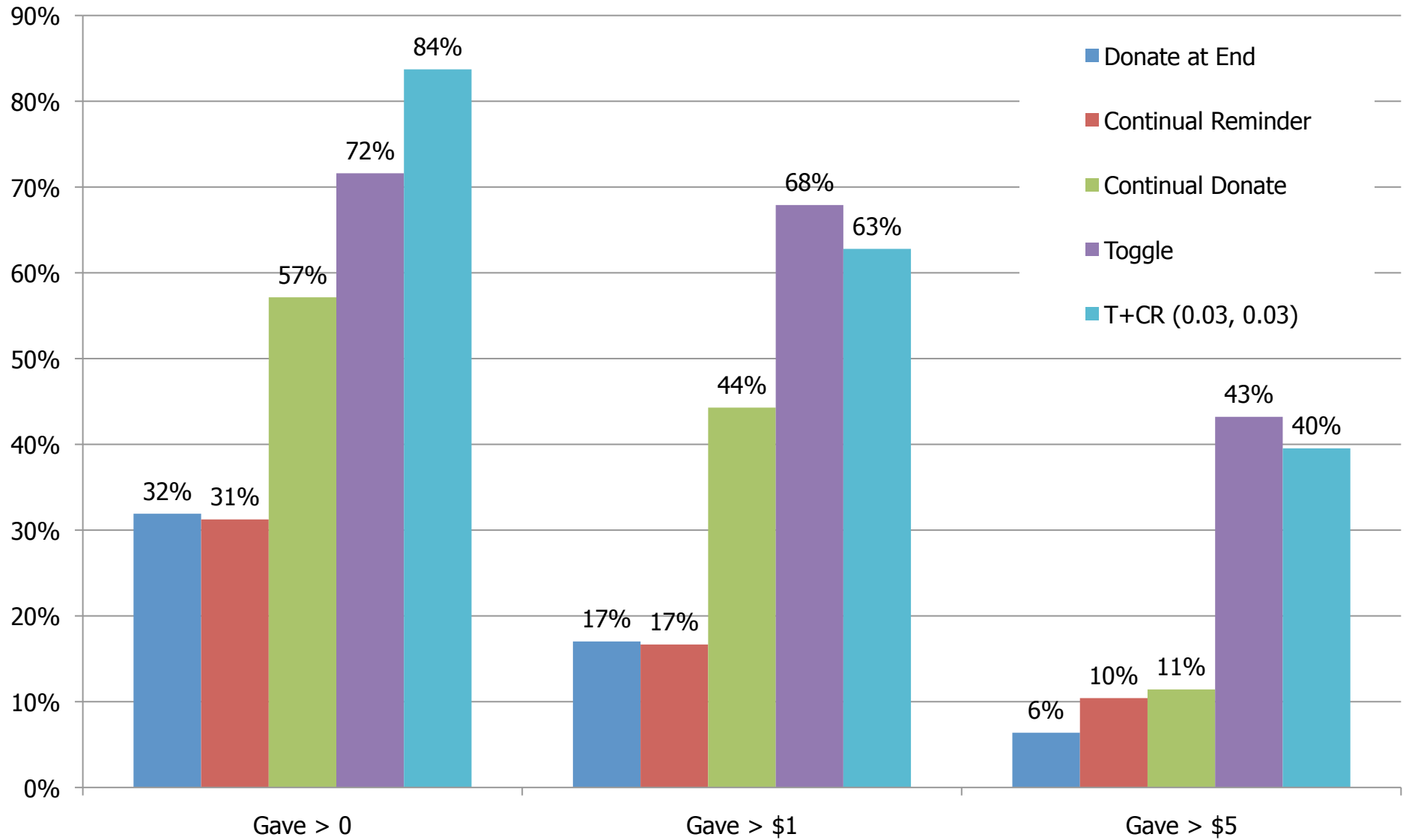
Switch to Work for Charity

53	_____	0	2	_____	0	77	_____	0
39	_____	0	5	_____	0	8	_____	0
60	_____	0	81	_____	0	52	_____	0
73	_____	0	88	_____	0	78	_____	0
68	_____	0	17	_____	0	77	_____	0
16	_____	0	74	_____	0	31	_____	0
59	_____	0	64	_____	0	3	_____	0
27	_____	0	46	_____	0	19	_____	0
79	_____	0	38	_____	0	25	_____	0
95	_____	0	33	_____	0	94	_____	0

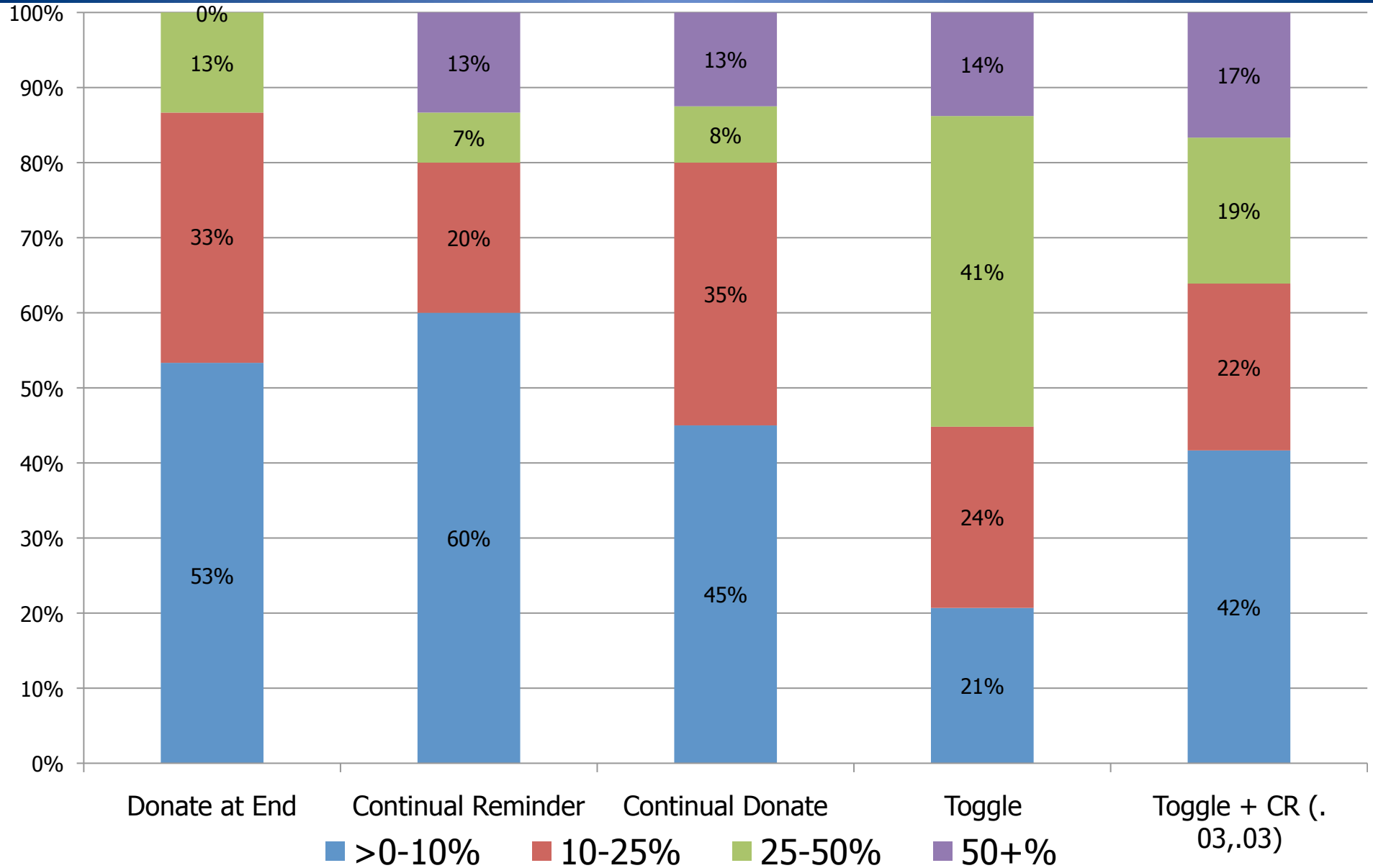
Predictions

- Solicitation
 - CR and CD provide non-actionable and actionable solicitation.
 - Total donations increase with solicitation: $DE < CR < CD$.
- Warm glow
 - Volunteering and donating earnings are equivalent.
 - Donative pattern: $CD = T$.
 - Alternative: greater warm glow from volunteering causes more donations ($CD < T$).
- Substitution
 - Allowing for gifts of time AND money will not increase giving ($T = T + CR$)
 - Shifting the wage ratio will shift giving towards the more effective mechanism

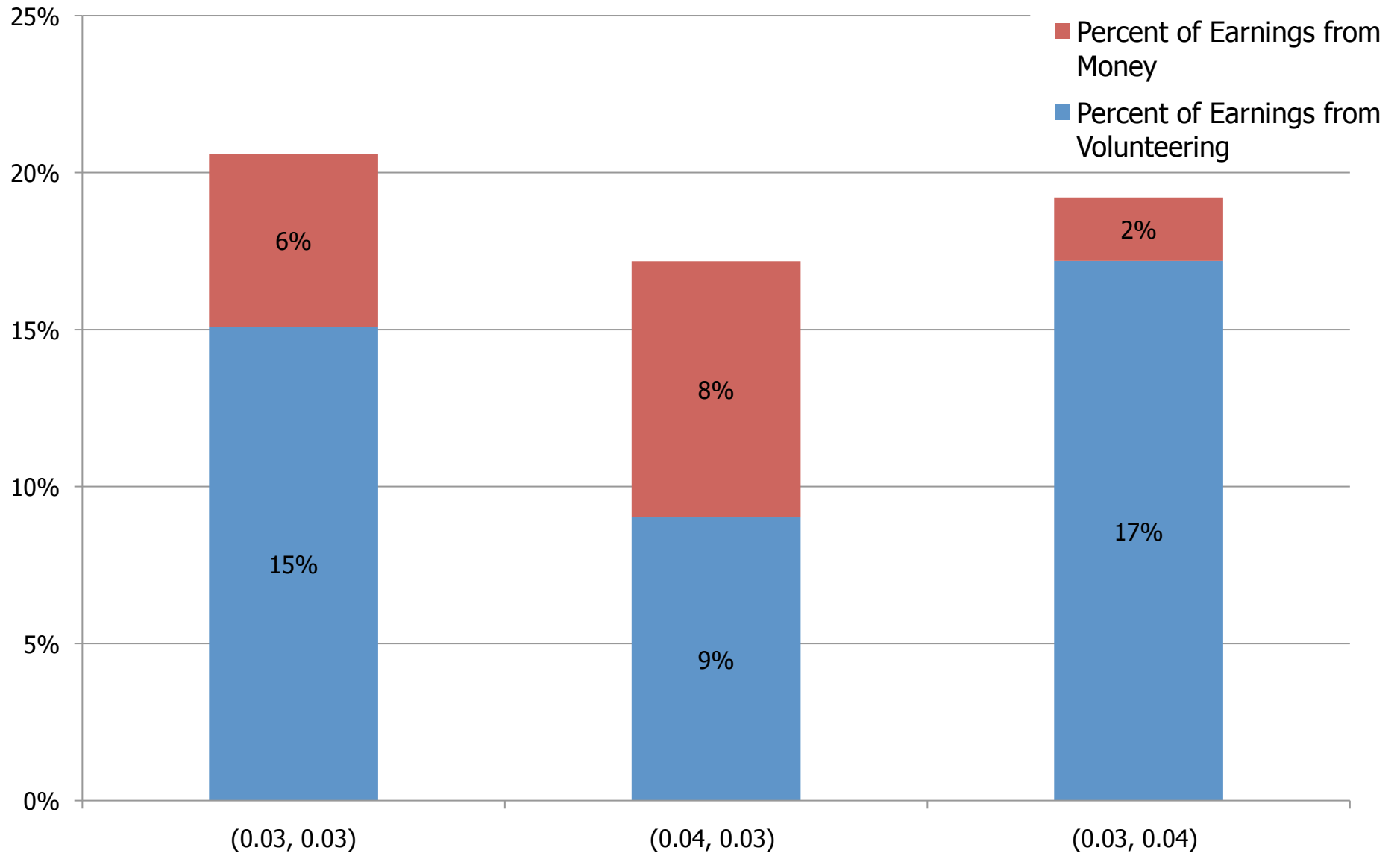
Results: Giving



Results: Percent of Earnings Donated Conditional on Giving



Results: Percent of Earnings Given (By Source)



Conclusions

- People have strong preferences to earn directly for charity rather than earning for themselves and giving to charity.
 - Preference exhibited with 33% wage differential.
- Actionable solicitation increases donative behavior.
- Gifts of time and money appear to be substitutes.